

## Message Text

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53

ACTION EB-07

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-09 NEA-10 ISO-00 SSO-00

NSCE-00 USIE-00 INRE-00 FEA-01 COM-04 ERDA-07 AID-05

CEA-01 CIAE-00 CIEP-02 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 PA-02 PRS-01

IO-10 /158 W

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O 271624Z SEP 75

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC NIACT IMMEDIATE 6766

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMEMBASSY CARCAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBERVILLE

AMEMBASSY LONDON

AMEMBASSY QUITO

AMEMBASSY THERAN

AMEMBASSY TRIPOLI

USMISSION EC BRUSSELS

USMISSION OECD PARIS IMMEDIATE

UNCLAS VIENNA 8283

PARIS FOR DEPUTY ASSISTANT SECRETARY KATZ

DEPARTMENT FOR EB

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BEIRUT PASS BAGHDAD

E.O. 11652: N/A

TAGS: ENRG, OPEC, AU

SUBJECT: OPEC MEETING -- MINISTERS AGREE ON TEN PERCENT PRICE  
INCREASE FOR NINE MONTHS

REF: VIENNA 8272

1. OPEC MINISTERS REACHED AGREEMENT ON 10 PERCENT INCREASE IN CRUDE OIL PRICE DURING MORNING SESSION OF FOURTH DAY (SATURDAY) OF EXTRAORDINARY CONFERENCE MEETING. NEW PRICE LEVEL OF \$11.51 FOR MARKER CRUDE WILL BE IN EFFECT UNTIL JULY 1, 1976. THIS WAS FIRST ANNOUNCED BY HERNANDEZ-ACOSTA WHEN HE LEFT SECRETARIAT SHORTLY BEFORE 1300 HOURS. IT WAS CONFIRMED BY AMOUZEGAR AND YAMANI WHEN THEY LEFT SECRETARIAT SHORTLY AFTER 1500 HOURS. MEETING SCHEDULED RESUME AT 1830 HOURS FOR DISCUSSION OF SDR/DOLLAR QUESTION AND QUALITY DIFFERENTIALS, AFTER WHICH CONFERENCE WILL PRESUMABLY END AND COMMUNIQUE BE ISSUED.

2. AMOUZEGAR SAID HE WAS VERY HAPPY WITH THE 10 PERCENT QUOTE COMPROMISE UNQUOTE AND REMARKED THAT UNDER CIRCUMSTANCES IT WAS QUOTE MODEST. HE EMPHASIZED THAT DECISION TO KEEP PRICE IN EFFECT UNTIL END OF JUNE WAS FIRM. HE SAID CONFERENCE STILL HAD TO DISCUSS SDR/DOLLAR QUESTION.

3. YAMANI, WHEN ASKED IF HE WAS SATISFIED AND IF HE CONSIDERED 10 PERCENT A NOMINAL INCREASE SAID YES TO BOTH QUESTIONS. HE ADDED THAT HE WOULD HAVE LIKED A TWO-STAGE INCREASE TOTALING TEN PERCENT WHICH WOULD HAVE FIXED PRICES THROUGH END OF 1976 BUT THAT THIS WAS BEST HE COULD GET. HE PREDICTED CONFERENCE WOULD END TONIGHT IN AGREEMENT.

4. OTAIBA WAS FIRST TO LEAVE MORNING SESSION--AT ABOUT 12 NOON; HE TOLD REPORTERS AHAT AGREEMENT ON PRICE INCREASE HAD BEEN REACHED BUT WOULD NOT REVEAL DETAILS. AS FAR AS WE KNOW, HE DID NOT RETURN TO MEETING BEFORE IT RECESSED.

5. WHEN HERNANDEZ-ACOSTA RETURNED AT ABOUT 1400 HOURS WE UNDERSTAND

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THAT HE TOLD REPORTERS THAT HE HAD PROPOSED A 10 PERCENT RISE UNTIL JAN. 1, 1976, BUT THAT KUWAIT AND UAE HAD PROPOSED THE NINE-MONTH FREEZE PERIOD WHICH THE CONFERENCE ADOPTED. HE IS ALSO SAID TO HAVE REMARKED, " YOU SHOULD BE HAPPY, PRICES ARE UP 40 PERCENT AND WE ARE ONLY ASKING 10 PERCENT."

6. MORNING SESSION BEGAN ABOUT 1100 WHEN YAMANI, WHO HAD KEPT THE OTHERS WAITING FOR OVER HALF AN HOUR, ARRIVED. HE SAID NOTHING

TO REPORTERS ON ARRIVAL. AMOUZEGAR, ON OTHER HAND, WAS USUAL  
EXPANSIVE SELF. HE SAID THAT OPEC HAD LEARNED ART OF COMPROMISE  
FROM EC AND OECD AND WOULD DEFEAT ANY EFFORTS AT SPLITTING  
IT, EMPHASIZING THAT MOST IMPORTANT CONSIDERATION WAS SOLIDARITY  
OF OPEC. HE LECTURED REPORTERS, PARTICULARLY GERMANS, FOR WHAT  
HE TERMED EXAGGERATION OF THE DIFFERENCES BETWEEN HIMSELF AND  
YAMANI. HE AGAIN PUT REPORTERS ON NOTICE THAT THERE WOULD  
BE A PRICE INCREASE, COMMENTING, "WE HAVE GIVEN NINE MONTHS  
CHANCE TO THE OTHER SIDE AND THERE WAS NO RESPONSE." BUCHANAN

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